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2006-286-EG

September 13, 2006

Mr. Charles Terreni  
Chief Clerk & Administrator  
The Public Service Commission of South Carolina  
Post Office Drawer 11649  
Columbia, South Carolina 29211



2006 SEP 13 PM 3:45  
SC PUBLIC SERVICE  
COMMISSION

RECEIVED

Dear Mr. Terreni:

Attached are copies of the Quarterly Report for South Carolina Electric & Gas Company, Electric Retail Operations and Gas Distribution Operations, for the twelve months ended June, 2006.

Sincerely,

Kenneth R. Jackson

cw

Attachments

c: John Flitter (ORS)  
Jay Jashinsky (ORS)

## CERTIFICATION

I, William B. Timmerman, state and attest, under penalty of perjury, that the attached Quarterly Reports of Retail Electric Operations and Gas Distribution Operations are filed on behalf of South Carolina Electric & Gas Company as required by the Public Service Commission of South Carolina; That I have reviewed said reports and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



\_\_\_\_\_  
Signature of Chief Executive Officer

William B. Timmerman


Typed or Printed Name of Person Signing

Chairman of the Board, Chief Executive Officer  
Title

September 13, 2006

Date Signed

Subscribed and Sworn to me on this 13<sup>th</sup> of September,  
2006.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: September 13, 2011

## CERTIFICATION

I, Jimmy E. Addison, state and attest, under penalty of perjury, that the attached Quarterly Reports of Retail Electric Operations and Gas Distribution Operations are filed on behalf of South Carolina Electric & Gas Company as required by the Public Service Commission of South Carolina; That I have reviewed said reports and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.



Signature of Chief Financial Officer

Jimmy E. Addison

Typed or Printed Name of Person Signing

Chief Financial Officer

Title

September 13, 2006

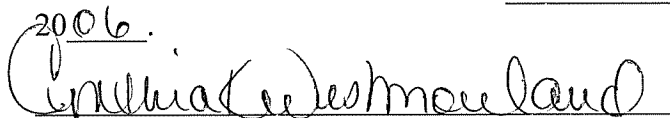
Date Signed

Subscribed and Sworn to me on this

13th

of September

2006.



Notary Public

My Commission Expires:

September 13, 2011

**SOUTH CAROLINA ELECTRIC & GAS COMPANY**  
**RETAIL ELECTRIC**  
**OPERATING EXPERIENCE**  
**TWELVE MONTHS ENDED June 30, 2006**

<u>DESCRIPTION</u>	PER BOOKS ADJ. FOR REGULATORY <u>ORDERS</u> (\$\$\$)	ACCOUNTING & PRO FORMA <u>ADJUSTMENTS</u> (\$\$\$)	TOTAL AS <u>ADJUSTED</u> (\$\$\$)
	COL. A	COL. B	COL. C
<u>OPERATING REVENUES</u>	<u>1,844,582,290</u>	<u>(6,106,974)</u>	<u>1,838,475,316</u>
<u>OPERATING EXPENSES</u>			
Fuel Costs	595,955,842		595,955,842
Other O&M Expenses	421,882,367	7,036,601	428,918,968
Deprec. & Amort. Expenses	216,474,114	9,910,159	226,384,274
Taxes Other Than Income	106,213,961	6,139,469	112,353,430
Income Taxes	<u>157,738,124</u>	<u>(11,022,967)</u>	<u>146,715,157</u>
Total Operating Expenses	1,498,264,407	12,063,263	1,510,327,670
Operating Return	346,317,883	(18,170,237)	328,147,646
Customer Growth	4,786,014	(251,107)	4,534,907
Int. on Customer Deposits	<u>(445,468)</u>	<u>-</u>	<u>(445,468)</u>
Total Income for Return	<u>350,658,429</u>	<u>(18,421,344)</u>	<u>332,237,085</u>
<u>ORIGINAL COST RATE BASE</u>			
Gross Plant in Service	6,162,791,350	(1,811,671)	6,160,979,679
Reserve for Deprec.	<u>2,061,418,051</u>	<u>8,528,559</u>	<u>2,069,946,610</u>
Net Plant	4,101,373,299	(10,340,230)	4,091,033,069
CWIP	190,291,920	(3,562,115)	186,729,805
Net Deferred/Credits	(107,470,863)	(462,682)	(107,933,544)
Accum. Def. Income Taxes	(550,644,296)		(550,644,296)
Materials & Supplies	196,394,641	-	196,394,641
Working Capital	<u>32,755,405</u>	<u>-</u>	<u>32,755,405</u>
Total Original Cost Rate Base	<u>3,862,700,106</u>	<u>(14,365,027)</u>	<u>3,848,335,079</u>
 RATE OF RETURN	 9.08%		8.63%
RETURN ON EQUITY	11.41%		10.61%

**SOUTH CAROLINA ELECTRIC & GAS COMPANY  
ANNUALIZED INTEREST EXPENSE**

**TWELVE MONTHS ENDED June 30, 2006**

RATE BASE	\$ 4,027,681,776
LONG-TERM DEBT RATIO	<u>42.17%</u>
	\$ 1,698,473,405
AVERAGE COST OF DEBT	<u>6.19%</u>
ANNUALIZED INTEREST	\$ 105,135,504
TAX BOOK INTEREST	<u>\$ 123,229,277</u>
INTEREST ADJUSTMENT	<u>\$ (18,093,773)</u>
ADJUSTMENT TO INCOME TAXES:	
STATE INCOME TAX @ 5%	\$ 904,689
FEDERAL INCOME TAX @ 35%	<u>\$ 6,016,180</u>
TOTAL INCOME TAX EFFECT	\$ 6,920,868
RETAIL ELECTRIC RATE BASE PERCENTAGE	<u>95.90%</u>
	<u>\$ 6,637,113</u>

**SOUTH CAROLINA ELECTRIC & GAS COMPANY**  
**PLANT IN SERVICE, CONSTRUCTION WORK IN PROGRESS, AND RESERVE FOR DEPRECIATION**

**AT June 30, 2006**

	<u>TOTAL PER BOOKS</u> \$	<u>RATIOS</u> %	<u>ALLOCATED TO RETAIL</u> \$
<b><u>ELECTRIC PLANT IN SERVICE</u></b>			
Production	\$ 3,466,868,757	94.41%	\$ 3,273,070,793
Transmission	\$ 626,537,095	94.18%	\$ 590,091,432
Distribution	\$ 1,940,827,110	99.75%	\$ 1,935,878,001
General	\$ 115,786,899	96.02%	\$ 111,178,883
Intangible	\$ 61,995,043	96.02%	\$ 59,527,802
Common	<u>\$ 201,045,526</u>	96.02%	<u>\$ 193,044,438</u>
TOTAL	<u>\$ 6,413,060,430</u>		<u>\$ 6,162,791,350</u>
<b><u>CONSTRUCTION WORK IN PROGRESS</u></b>			
Production	\$ 93,169,134	94.41%	\$ 87,960,980
Transmission	\$ 42,810,280	94.18%	\$ 40,320,006
Distribution	\$ 38,467,057	99.75%	\$ 38,368,966
General	\$ 9,249,656	96.02%	\$ 8,881,543
Intangible	\$ 2,265,515	96.02%	\$ 2,175,354
Common	<u>\$ 13,106,683</u>	96.02%	<u>\$ 12,585,071</u>
TOTAL	<u>\$ 199,068,325</u>		<u>\$ 190,291,920</u>
<b><u>RESERVE FOR DEPRECIATION</u></b>			
Production	\$ 1,137,943,147	94.41%	\$ 1,074,332,125
Transmission	\$ 195,780,560	94.19%	\$ 184,413,541
Distribution	\$ 647,877,327	99.75%	\$ 646,244,676
General	\$ 95,216,519	96.02%	\$ 91,427,150
Common	<u>\$ 67,694,629</u>	96.02%	<u>\$ 65,000,559</u>
TOTAL	<u>\$ 2,144,512,182</u>		<u>\$ 2,061,418,051</u>

**SOUTH CAROLINA ELECTRIC & GAS COMPANY  
RETAIL ELECTRIC OPERATIONS**

**AT June 30, 2006**

<b><u>NET DEFERRED DEBITS/CREDITS</u></b>	<b><u>PER BOOKS ADJ. FOR REGULATORY ORDERS</u></b>	<b><u>ACCOUNTING &amp; PRO FORMA ADJUSTMENTS</u></b>	<b><u>TOTAL AS ADJUSTED</u></b>
Environmental	(150,067)	-	(150,067)
FASB 106 Rate Base Reduction	(74,576,170)	(462,682)	(75,038,852)
Major Maintenance Accrual	(7,111,986)	-	(7,111,986)
Storm Reserve	<u>(25,632,639)</u>	<u>-</u>	<u>(25,632,639)</u>
TOTAL	<u>(107,470,863)</u>	<u>(462,682)</u>	<u>(107,933,544)</u>
<b><u>MATERIALS &amp; SUPPLIES</u></b>			
Nuclear Fuel	27,963,369	-	27,963,369
Fossil Fuel	93,298,465	-	93,298,465
Other Materials & Supplies	<u>75,132,807</u>	<u>-</u>	<u>75,132,807</u>
TOTAL	<u>196,394,641</u>	<u>-</u>	<u>196,394,641</u>
<b><u>WORKING CAPITAL, OTHER THAN MATERIALS &amp; SUPPLIES</u></b>			
Working Cash	103,632,760	-	103,632,760
Prepayments	<u>16,402,801</u>	<u>-</u>	<u>16,402,801</u>
Total Investor Advanced Funds	120,035,561	-	120,035,561
Less: Customer Deposits	(24,539,390)	-	(24,539,390)
Average Tax Accruals	(57,066,402)	-	(57,066,402)
Injuries & Damages	<u>(5,674,365)</u>	<u>-</u>	<u>(5,674,365)</u>
TOTAL WORKING CAPITAL	<u>32,755,405</u>	<u>-</u>	<u>32,755,405</u>

SOUTH CAROLINA ELECTRIC & GAS COMPANY  
ACCOUNTING & PRO FORMA ADJUSTMENTS  
TOTAL ELECTRIC  
OPERATING EXPERIENCE  
TWELVE MONTHS ENDED  
June 30, 2006

ADJ. #	DESCRIPTION	REVENUES	O & M EXPENSES	DEPREC. & AMORT. EXPENSE	TAXES OTHER THAN INCOME	STATE INCOME TAX @ 5%	FEDERAL INCOME TAX @ 35%	PLANT IN SERVICE	ACCUM. DEPREC.	CWIP	DEF. DEBITS/ CREDITS & PAYABLES
1	ANNUALIZE WAGES, BENEFITS, & PAYROLL TAXES										
	A) ANNUALIZE WAGES, BENEFITS, & PAYROLL TAXES		5,155,075		366,509	(276,079)	(1,835,927)				
	B) INCENTIVE PAY		(4,059,274)		(331,674)	219,547	1,459,990				
	C) ADOPT SFAS 123-R FOR LONG-TERM AT-RISK PAY		4,885,687		412,841	(264,926)	(1,761,761)				
2	PENSION & HEALTH CARE RELATED ADJUSTMENTS										
	A) PENSION INCOME		1,160,370			(58,019)	(385,823)				(484,225)
	B) OTHER POST EMPLOYMENT BENEFITS		784,170			(39,209)	(260,737)				
	C) HEALTH CARE		(239,010)			11,951	79,471				
3	ELIMINATE EMPLOYEE CLUBS INVESTMENT & EXPENSES		(322,782)	(673,829)		49,831	331,373	(4,455,642)	(1,038,087)	(66,266)	
4	ADJUST PROPERTY TAXES				5,948,443	(297,422)	(1,977,857)				
5	PROPERTY RETIREMENTS					-	-	(1,076,591)	(1,076,591)		
6	ANNUALIZED DEPRECIATION			10,975,215		(548,761)	(3,649,259)		10,975,215		
7	CWIP					-	-	3,626,870		(3,626,870)	
8	TAX EFFECT OF ANNUALIZED INTEREST					19,504	129,703				
9	TWO LARGE CUSTOMER CLOSINGS	(6,106,974)	7,364,236	10,301,386	6,396,119	(305,349)	(2,030,569)				
	TOTAL ADJUSTMENTS	(6,106,974)	7,364,236	10,301,386	6,396,119	(1,488,931)	(9,901,394)	(1,905,363)	8,860,537	(3,693,136)	(484,225)



SOUTH CAROLINA ELECTRIC & GAS COMPANY  
ACCOUNTING & PRO FORMA ADJUSTMENTS  
RETAIL ELECTRIC  
OPERATING EXPERIENCE  
TWELVE MONTHS ENDED  
June 30, 2006

ADJ. #	DESCRIPTION	REVENUES	O & M EXPENSES	DEPREC. & AMORT. EXPENSE	TAXES OTHER THAN INCOME	STATE INCOME TAX @ 5%	FEDERAL INCOME TAX @ 35%	PLANT IN SERVICE	ACCUM. DEPREC.	CWIP	DEF. DEBITS/ CREDITS & PAYABLES
1	ANNUALIZE WAGES, BENEFITS, & PAYROLL TAXES										
	A) ANNUALIZE WAGES, BENEFITS, & PAYROLL TAXES		4,925,726		350,203	(263,796)	(1,754,246)				
	B) INCENTIVE PAY		(3,878,677)		(316,918)	209,780	1,395,035				
	C) ADOPT SFAS 123-R FOR LONG-TERM AT-RISK PAY		4,668,323		394,474	(253,140)	(1,683,380)				
2	PENSION & HEALTH CARE RELATED ADJUSTMENTS										
	A) PENSION INCOME		1,108,745			(55,437)	(368,658)				(462,682)
	B) OTHER POST EMPLOYMENT BENEFITS		749,282			(37,464)	(249,136)				
	C) HEALTH CARE		(228,376)			11,419	75,935				
3	ELIMINATE EMPLOYEE CLUBS INVESTMENT & EXPENSES		(308,421)	(647,012)		47,772	317,682	(4,278,319)	(996,774)	(63,629)	
4	ADJUST PROPERTY TAXES				5,711,710	(285,586)	(1,899,144)				
5	PROPERTY RETIREMENTS					-	-	(1,031,838)	(1,031,839)		
6	ANNUALIZED DEPRECIATION			10,557,172		(527,859)	(3,510,260)		10,557,172		
7	CWIP					-	-	3,498,487		(3,498,487)	
8	TAX EFFECT OF ANNUALIZED INTEREST					18,750	124,684				
9	TWO LARGE CUSTOMER CLOSINGS	(6,106,974)				(305,349)	(2,030,569)				
	TOTAL ADJUSTMENTS	(6,106,974)	7,036,601	9,910,159	6,139,469	(1,440,911)	(9,582,056)	(1,811,671)	8,528,559	(3,562,115)	(462,682)

SOUTH CAROLINA ELECTRIC & GAS COMPANY  
CAPITAL STRUCTURE  
AT June 30, 2006

<u>RETAIL ELECTRIC</u>	<u>CAPITALIZATION</u>	<u>RATIO</u>	<u>EMBEDDED</u>	<u>OVERALL</u>
	\$	%	COST/RATE	COST/RATE
			%	%
LONG-TERM DEBT	1,824,691,526	42.17	6.19	2.61
PREFERRED STOCK	114,700,650	2.65	6.41	0.17
COMMON EQUITY	<u>2,387,403,779</u>	<u>55.18</u>	<b>10.61</b>	<u>5.85</u>
TOTAL	<u>4,326,795,955</u>	<u>100.00</u>		<u>8.63</u>

**SOUTH CAROLINA ELECTRIC AND GAS COMPANY  
EARNINGS PER SHARE**

Earnings per share are calculated based on average shares outstanding of Parent Company, SCANA Corporation and Companies, and represent South Carolina Electric & Gas Company's contribution to the Parent's overall earnings.

**TWELVE MONTHS ENDED June 30, 2006**

NET INCOME AFTER DIV. OF PREF. STOCK	\$260,790,127
EARNINGS PER SHARE	\$2.27
AVG. NUMBER OF SHARES OUTSTANDING	114,800,754

**SOUTH CAROLINA ELECTRIC & GAS COMPANY**  
**RATIO OF EARNINGS TO FIXED CHARGES <sup>1</sup>**  
**TWELVE MONTHS ENDED June 30, 2006**

LINE NO.		<u>\$000's</u>
1	EARNINGS	
2	Net Income	363,043
3	Losses from Equity Investees	18,710
4	Total Fixed Charges, As Below	<u>140,977</u>
5	TOTAL EARNINGS	<u>522,730</u>
6	FIXED CHARGES	
7	Interest on Long-Term Debt	119,401
8	Other Interest	13,579
9	Amort. Of Debt Prem. - Discount & Exp. (Net)	3,772
10	Rental Int. Portion	4,225
11	Distribution on Trust Preferred	<u>-</u>
12	TOTAL FIXED CHARGES	140,977
13	Pre-tax earnings required to pay Preference Security Dividend	<u>11,801</u>
14	<b>Total Fixed Charges and Preference Security Dividend</b>	<u>152,778</u>
15	RATIO OF EARNINGS TO FIXED CHARGES	3.42
16	<sup>1</sup> - SEC COVERAGE	

**SOUTH CAROLINA ELECTRIC & GAS COMPANY**  
**TOTAL GAS DISTRIBUTION - OPERATING EXPERIENCE**  
**12 MONTHS ENDED**  
**June, 2006**

<u>DESCRIPTION</u>	<u>PER BOOKS ADJ. FOR REGULATORY ORDERS</u>	<u>ACCOUNTING &amp; PRO FORMA ADJUSTMENTS</u>	<u>TOTAL AS ADJUSTED</u>
	<u>COL. A</u> \$	<u>COL. B</u> \$	<u>COL. C</u> \$
<u>OPERATING REVENUES</u>	<u>550,502,899</u>	<u>5,814,921</u>	<u>556,317,820</u>
<u>OPERATING EXPENSES</u>			
Cost of Gas	451,504,428		451,504,428
Other O&M Expenses	51,343,558	1,591,917	52,935,475
Deprec. & Amort. Expenses	16,284,938	3,174,377	19,459,315
Taxes Other Than Income	11,621,773	2,248,941	13,870,714
Income Taxes	<u>4,738,645</u>	<u>(1,105,154)</u>	<u>3,633,491</u>
Total Operating Expenses	535,493,342	5,910,081	541,403,423
Operating Return	15,009,557	(95,160)	14,914,397
Int. on Cust. Deposits Net	<u>(117,411)</u>		<u>(117,411)</u>
Total Income For Return	<u>14,892,146</u>	<u>(95,160)</u>	<u>14,796,986</u>
<u>ORIGINAL COST RATE BASE</u>			
Gross Plant in Service	567,532,251	46,750,982	614,283,233
Reserve for Depre.	<u>226,038,183</u>	<u>31,392,426</u>	<u>257,430,609</u>
Net Plant	341,494,068	15,358,556	356,852,624
CWIP	5,103,717	(687,367)	4,416,350
Accum. Def. Income Taxes	(44,718,435)	0	(44,718,435)
Net Deferred Debits / Credits	(4,597,977)	(79,837)	(4,677,814)
Materials & Supplies	1,042,087	49,910,573	50,952,660
Working Capital	<u>(7,071,766)</u>	<u>198,990</u>	<u>(6,872,776)</u>
Total Original Cost Rate Base	<u>291,251,693</u>	<u>64,700,915</u>	<u>355,952,608</u>
 RATE OF RETURN	 5.11%		 4.16%
RETURN ON EQUITY	<u>4.23%</u>		<u>2.50%</u>

SUPPLEMENTAL  
SCHEDULE  
TO EXHIBIT A

SOUTH CAROLINA ELECTRIC AND GAS COMPANY  
GAS ANNUALIZED INTEREST EXPENSE  
12 MONTHS ENDED  
June, 2006

RATE BASE		\$291,251,693
LONG-TERM DEBT RATIO		<u>0.4217</u>
		\$122,826,337
AVERAGE COST OF DEBT		<u>0.0619</u>
ANNUALIZED INTEREST		\$7,602,950
TAX BOOK INTEREST		\$9,483,793
INTEREST ADJUSTMENT		<u>(\$1,880,843)</u>
ADJUSTMENT TO INCOME TAXES:		
STATE INCOME TAX	<u>\$94,042</u>	
FEDERAL INCOME TAX	<u>\$625,380</u>	
TOTAL INCOME TAX EFFECT		<u>\$719,422</u>

**SOUTH CAROLINA ELECTRIC & GAS COMPANY**  
**RATE BASE DETAIL TOTAL GAS OPERATIONS**  
**12 MONTHS ENDED**  
**June, 2006**

<b>NET DEFERRED DEBITS/CREDITS</b>	<b>PER BOOKS ADJ. FOR REGULATORY ORDERS</b>	<b>ACCOUNTING &amp; PRO FORMA ADJUSTMENTS</b>	<b>TOTAL AS ADJUSTED</b>
	\$	\$	\$
ENVIRONMENTAL	2,595,522	0	2,595,522
PROPANE AIR PLANTS	2,315,333	0	2,315,333
FSB 106 RATE BASE REDUCTION	(9,508,832)	(79,837)	(9,588,669)
<b>TOTAL</b>	<b>(4,597,977)</b>	<b>(79,837)</b>	<b>(4,677,814)</b>
<b><u>MATERIALS &amp; SUPPLIES</u></b>			
NATURAL GAS STORAGE	596,681	49,910,573	50,507,254
OTHER M&S	445,405		445,405
<b>TOTAL</b>	<b>1,042,087</b>	<b>49,910,573</b>	<b>50,952,660</b>
<b><u>WORKING CAPITAL</u></b>			
WORKING CASH	6,417,945	198,990	6,616,934
PREPAYMENTS	(1,063,939)		(1,063,939)
CUSTOMER DEPOSITS	(6,467,787)		(6,467,787)
AVERAGE TAX ACCRUALS	(5,436,756)		(5,436,756)
INJURIES & DAMAGES	(521,228)		(521,228)
<b>TOTAL WORKING CAPITAL</b>	<b>(7,071,766)</b>	<b>198,990</b>	<b>(6,872,776)</b>

SOUTH CAROLINA ELECTRIC & GAS COMPANY  
12 MONTHS ENDED  
June, 2006

ADJ. #	TOTAL GAS		REVENUE	O & M EXPENSES	DEPRE. & AMORT. EXPENSE	TAXES OTHER THAN INCOME	STATE INCOME TAX @ 5.0%	FEDERAL INCOME TAX @ 35%	PLANT IN SERVICE	ACCUM. DEPRE.	CWIP	OPEB'S	MATERIALS & SUPPLIES	PF #15 WORKING CAPITAL
	DESCRIPTION													
1	ADJUST LATERAL CUSTOMER REVENUE FOR TARIFF RATES		494,536			2,606	24,596	163,567						-
2A	ANNUALIZED WAGES, BENEFITS AND PAYROLL TAXES			436,924		31,064	(23,399)	(155,606)						54,616
2B	REMOVAL OF 50% OF INCENTIVE PAY			(593,050)		(47,948)	32,050	213,132						(74,131)
3A	ANNUALIZE PENSION INCOME			190,108			(9,505)	(63,211)						23,764
3B	ANNUALIZE OTHER POST- EMPLOYEE BENEFITS			129,291			(6,465)	(42,989)				(79,837)		16,161
4	ADJUST LONG TERM DISABILITY AMORTIZATION				45,200		(2,260)	(15,029)						-
5	EMPLOYEE CLUBS			(53,982)	(76,453)		6,522	43,370	(522,310)	(117,784)	(7,519)			(6,748)
6	AMORTIZED MGP REMEDIATION COSTS				214,475		(10,724)	(71,313)						-
8	ANNUALIZE COSTS FOR PIPELINE INTEGRITY			445,544			(22,277)	(148,143)						55,693
9A	RECOGNIZE PROPERTY RETIREMENTS						-	-	(14,031)	(14,031)				-
9B	RECOGNIZE PROPERTY ADDITIONS READY to be TRANSFERRED FROM CWIP				-		-	-	439,894	-	(439,894)			-
10	ANNUALIZED DEPRECIATION- ADJUST RESERVE				2,027,254		(101,363)	(674,062)		2,027,254				-
11	PROPERTY TAXES					1,690,437	(84,522)	(562,070)						-
	REGULATORY ASSET FOR UNRECOVERD PROPANE AIR PLANT BALANCE													-
12A	ADD LNG ASSETS			1,530,866	384,180		(19,209)	(127,740)						-
12B	ADD UPSTREAM ASSETS				576,125	534,715	(132,085)	(878,367)	46,573,993	29,493,391			12,769,904	191,358
12C	TRANSFERRED FROM SPCPC												37,140,669	-
	TAX EFFECT OF ANNUALIZED INTEREST													-
13	APPROVED REVENUE INCREASE		4,505,366			23,743	224,081	1,490,140						-
14	REFUNDS RELATED TO PRIOR PERIOD		515,019			2,714	25,615	170,341						-
16	EXPENSES RELATED TO 2005 GAS RATE CASE		-	(493,784)		-	24,689	164,183						(61,723)
17	NEW INDUSTRIAL CONTRACT		300,000		3,596	11,609	14,240	94,694	273,436	3,596	(239,954)			-
18	TOTAL ADJUSTMENTS		5,814,921	1,591,917	3,174,377	2,248,941	(144,465)	(960,690)	46,750,982	31,392,426	(687,367)	(79,837)	49,910,573	198,990



SOUTH CAROLINA ELECTRIC & GAS COMPANY  
WEIGHTED COST OF CAPITAL  
AS OF  
June, 2006

<u>TOTAL GAS</u>	<u>CAPITALIZATION</u>	<u>RATIO</u>	<u>EMBEDDED COST/RATE</u>	<u>OVERALL COST/RATE</u>
	\$	%	%	%
LONG-TERM DEBT	1,824,691,526	42.17%	6.19%	2.61%
PREFERRED STOCK	114,700,650	2.65%	6.41%	0.17%
COMMON EQUITY	2,387,403,779	55.18%	2.50%	1.38%
TOTAL	<u>4,326,795,955</u>	<u>100.00%</u>		<u>4.16%</u>

**SOUTH CAROLINA ELECTRIC AND GAS COMPANY  
EARNINGS PER SHARE**

Earnings per share are calculated based on average shares outstanding of Parent Company, SCANA Corporation and Companies, and represent South Carolina Electric & Gas Company's contribution to the Parent's overall earnings.

**TWELVE MONTHS ENDED June 30, 2006**

NET INCOME AFTER DIV. OF PREF. STOCK	\$260,790,127
EARNINGS PER SHARE	\$2.27
AVG. NUMBER OF SHARES OUTSTANDING	114,800,754

SOUTH CAROLINA ELECTRIC & GAS COMPANY  
 RATIO OF EARNINGS TO FIXED CHARGES <sup>1</sup>  
 TWELVE MONTHS ENDED June 30, 2006

LINE NO.		<u>\$000's</u>
1	EARNINGS	
2	Net Income	- 363,043
3	Losses from Equity Investees	18,710
4	Total Fixed Charges, As Below	<u>140,977</u>
5	TOTAL EARNINGS	<u>522,730</u>
6	FIXED CHARGES	
7	Interest on Long-Term Debt	119,401
8	Other Interest	13,579
9	Amort. Of Debt Prem. - Discount & Exp. (Net)	3,772
10	Rental Int. Portion	4,225
11	Distribution on Trust Preferred	<u>-</u>
12	TOTAL FIXED CHARGES	140,977
13	Pre-tax earnings required to pay Preference Security Dividend	<u>11,801</u>
14	<b>Total Fixed Charges and Preference Security Dividend</b>	<u>152,778</u>
15	RATIO OF EARNINGS TO FIXED CHARGES	3.42
16	<sup>1</sup> - SEC COVERAGE	